

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

June 24, 2004

IN RE:

**CITIZEN'S PATH II DISAGGREGATION PLAN OF
THE FEDERAL UNIVERSAL SERVICE FUND**

**DOCKET NO.
04-00098**

ORDER APPROVING PLAN

This matter came before Chairman Deborah Taylor Tate, Director Sara Kyle, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this Docket, at a regularly scheduled Authority Conference held on May 24, 2004 for consideration of the request of Citizens Telecommunications Company of Tennessee, LLC ("Citizens") for certification of its Disaggregation Plan filed with the TRA on March 30, 2004.

BACKGROUND

By order of the Federal Communications Commission ("FCC"), all rural incumbent local exchange carriers ("rural ILECs") are required to select a path for the disaggregation of high cost universal service support they receive from federal sources by wire centers, rather than study areas.¹ For this purpose, the rural ILECS can choose among three different disaggregation paths: Path I, Path II, or Path III. Under Path II, the path chosen by Citizens, a disaggregation plan becomes effective only upon approval by the state commission. In order to deem a

¹ See *In the Matter of Federal-State Joint Board on Universal Service*, FCC 01-157 (Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No 96-45, and Report and Order in CC Docket No 00-256) 16 F C C.R 11,244 (May 23, 2001)

disaggregation plan consistent with federal requirements, the plan must be found to be competitively neutral.²

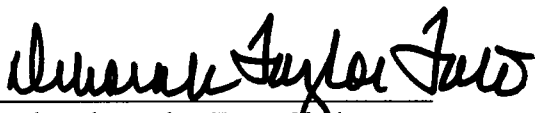
Following the filing of Citizen's proposed disaggregation plan on March 30, 2004, other interested parties were given the opportunity to comment.³ No comments were filed in opposition to Citizen's proposed plan.

The May 24, 2004 Authority Conference

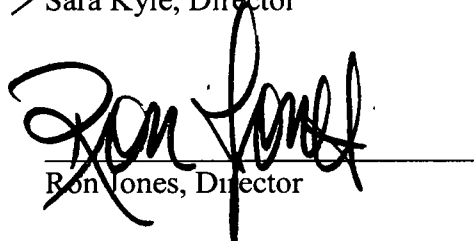
At the May 24, 2004 Authority Conference, the Directors voted unanimously to accept Citizen's disaggregation methodology and to approve Citizen's disaggregation plan based upon a finding of compliance with federal requirements.

IT IS THEREFORE ORDERED THAT:

1. The Disaggregation Plan filed by Citizens on March 30, 2004 is hereby approved.
2. Citizens shall submit to the Universal Service Administrative Company a copy of this Order approving its Disaggregation Plan.


Deborah Taylor Tate, Chairman


Sara Kyle, Director


Ron Jones, Director

² See *Id*

³ See *Notice of Filing* (April 2, 2004)